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Letter dated 23 February 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 2 December 2003 (S/2003/1150). The Counter-Terrorism Committee has received the attached fourth report from the United Kingdom of Great Britain and Northern Ireland submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Inocencio F. **Arias**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

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Annex

Letter dated 23 February 2004 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

Annexed to the present letter is the fourth report of the United Kingdom of Great Britain and Northern Ireland submitted in response to your letter of 21 November 2003 (see enclosure). The United Kingdom stands ready to submit any further information requested by the Counter-Terrorism Committee on the implementation of resolution 1373 (2001).

(*Signed*) Emyr **Jones Parry**

Enclosure*

Fourth report of the United Kingdom of Great Britain and Northern Ireland to the Counter-Terrorism Committee pursuant to paragraph 6 of Security Council resolution 1373 (2001) of 28 September 2001

1. Implementation Measures

Effectiveness in the protection of the financial system

1.1 Effective implementation of sub-paragraph 1 (a) requires States to have in place effective executive machinery for preventing and suppressing the financing of terrorist acts. In this regard does the United Kingdom provide training to its administrative. investigative, prosecutorial and judicial authorities on the enforcement of laws related to:

- typologies and trends in terrorist financing methods and techniques:

Training to law enforcement officers in techniques for the investigation of terrorist financing is provided by the National Terrorist Financial Investigation Unit (NTFIU) of the Metropolitan Police.

The course is offered to officers who have already been trained, and have experience, as financial investigators.

The course covers UK counter terrorist legislation, typologies, trends, and gives an awareness of the other agencies and bodies that can have a role to play in countering terrorist finance. The course's aims and objectives are to enable students to effectively undertake enquiries into terrorist financing and fundraising and be able, at the end of the course, to identify legislation relevant to the investigation of terrorist financing. Trained officers will have an awareness of the practical aspects of the investigation of terrorist financing and will be able to use the legislation correctly, and specify and utilise correctly the structures/organisations in the UK which target terrorist financing.

- techniques for tracing property which represents the proceeds of crime or is being used to finance terrorism with a view to ensuring that such property is seized, frozen and confiscated?

Techniques for tracing property are taught to all UK financial investigators as part of their basic financial investigators course. This course is now run by the Assets Recovery Agency.

* Annexes are on file with the Secretariat and are available for consultation.

What mechanisms/programs does the United Kingdom have in place to train the different economic sectors as to how to detect suspicious and unusual transactions related to terrorist activities and to prevent the movement of illicit money?

As part of the UK's response to the attacks of 11 September 2001, a multi-agency working group, the Financial Services Contact Group (FSCG) was established. The FSCG promotes an effective two-way dialogue between the financial services sector and law enforcement/intelligence agencies in order to deny terrorist organisations access to financial systems and products.

Over the past two years the FSCG has established liaison points within many sectors of the financial industry, including the Insurance, Investment Banking, and Personal Finance sectors. The FSCG has also been working particularly closely with the retail banking sector in profiling and assisting the industry to detect and report potentially terrorist-related suspicious financial activity.

In order to increase the effectiveness of the Suspicious Activity Reporting (SAR) regime in combating the use of UK financial systems by terrorist organisations, the FSCG is extending its outreach programme to additional vulnerable sectors of the financial industry (including Money Services Businesses and Credit Card Providers) in order to ensure that the industry is provided with relevant and timely indicators of terrorist finance activity.

1.2 Could the United Kingdom please elaborate on the functions of the agencies, which are responsible for the implementation of sub-paragraphs 1 (a), (c) and (d) of the Resolution and the legislative provisions for whose enforcement they are responsible? Could the UK provide similar information in relation to its Overseas Territories and Crown Dependencies? How does the United Kingdom ensure that there is adequate co-operation and sharing of information among the different government agencies which may be involved in investigating the financing of terrorism (e.g. police, customs, Financial Intelligence Unit (FIU) and/or other competent authorities)? Has the United Kingdom established any appropriate mechanism (such as a "task force") to this end?

In the UK, the bodies at the day to day forefront against terrorist financing are the Security Service, the National Terrorist Financial Investigation Unit (NTFIU) and the Terrorist Finance Unit of the National Criminal Intelligence Service (NCIS). The importance of multi-agency co-ordination in this field cannot be underestimated. The Security Service is the lead agency for combating international terrorism in the UK and Irish-related terrorism outside of Northern Ireland. It plays a key role in informing Government policy on terrorist finance and in intelligence-led investigations. The Service works closely with NTFIU,

NCIS, HM Customs and Excise and the UK police forces as well as overseas partners.

NTFIU is the law enforcement agency responsible for investigation of terrorist finance in Great Britain. It supplies experienced terrorist finance investigators to the terrorist Finance Team at NCIS. The Unit has two key objectives:

- To examine financial disclosures submitted to NCIS for possible terrorist connections and to combine this data with intelligence from other sources. The combined financial intelligence packages produced are referred for further investigative work by the NTFIU and intelligence agencies.

- To work with law enforcement and intelligence agencies to develop intelligence led methodologies to help inform future work on terrorist financing and where appropriate share with and provide guidance to the financial sector.

At the centre of the UK Government, leading roles in developing policies to combat the financing of terrorism are taken by HM Treasury, the Home Office and the Foreign and Commonwealth Office. The Treasury implements United Nations financial sanctions regimes using their powers under the relevant Order in Council. Sanctions are enforced by the Sanctions Unit at the Bank of England. Individuals and organisations who have been listed or who are suspected of facilitating terrorist acts are listed on the sanctions page of the Bank of England website (www.bankofengland.co.uk).

In the last two years new organisational networks and structures have been put in place across all areas of Government involved in this issue providing more focus for multi-agency initiatives to be brought to bear. All departments and agencies involved in the fight against terrorism are committed to effective multilateral working to enable effective monitoring of progress and regular review of areas requiring further development.

The UK financial services industry also provides a vital contribution to the fight against terrorist activity. Financial institutions have directed significant resources in response to national and international enquiries and law enforcement officers have worked closely and constructively with a wide range of compliance departments.

1.3 Could the United Kingdom please inform the CTC whether the relevant provisions of the Terrorism Act 2000 and the Anti-Terrorism, Crime and Security Act 2001 have been implemented in the Overseas Territories, as indicated in its first report (at page 4)? Is the United Kingdom liable for the financial system of the Overseas Territories?

An Order in Council (S.I. 2002/1822) making provision for certain Overseas Territories, namely Anguilla, the Falkland Islands, Montserrat, St Helena and Dependencies, the Turks and Caicos Islands and the British Virgin Islands, corresponding to various provisions of the Terrorism Act 2000 and the Anti-Terrorism, Crime and Security Act 2001 came into force on 1 August 2002. The Cayman Islands, Bermuda and Gibraltar are putting in place their own legislation corresponding to the 2000 and 2001 Acts.

1.4 The CTC notes from the schedule 2 of Anti-Terrorism, Crime and Security Act 2001 that some activities are excluded from the obligation to report to the UK's competent authorities about suspicious transactions. In this regard the CTC would appreciate an outlining of the UK's legal provisions and administrative mechanism which prevent those activities, with particular regard to corporate services providers, from being used for the purpose of the financing of terrorism. In relation to money laundering and the financing of terrorism could the United Kingdom provide an outline of any special strategy which may have developed with a view to enabling its investigation agencies to effectively prevent resources from being transferred to terrorists? (To prevent for example under-invoicing of exports and the over-invoicing of imports, manipulation of transactions of real estate, high value assets and insurance).

Under this schedule, those businesses excluded from the regulated sector are required to report suspicious activity under Sec. 19 of the Terrorism Act 2000. The 'reasonable grounds test' does not apply as for the regulated sector.

The Proceeds of Crime Act 2002 and the Terrorism Act 2000 require any such examples of suspicious activity to be reported to NCIS. If deemed suitable, such reports would then be investigated by the appropriate Law Enforcement Agency.

1.5 Sub-paragraph 1 (a) of the resolution requires financial institutions and other intermediaries to identify their clients and to report suspicious financial transactions to the relevant authorities. In this regard would the United Kingdom please provide the CTC with the number of suspicious transactions reports (STRs) received by the UK's competent authorities since 2001, the number of STRs analysed and disseminated, as well as the number of STRs which have led to investigations, prosecutions or convictions. The CTC would appreciate receiving information as to whether

any cases involving failure to comply with reporting obligations have been detected and whether any sanctions have been imposed.

The STR's received by the NCIS Terrorist Finance Team are disclosed under either the Proceeds of Crime Act 2002 or the Terrorism Act 2000. In 2002 the NCIS Terrorist Finance Team had a total of 4,786 STRs referred to it which were judged to have potential links to terrorism. Of this total, 556 were referred to NTFIU for further investigation. In 2003 the number of STR's referred to the TFT fell to 2,792, of which 632 were passed onto NTFIU.

In 2002 and 2003 almost 1,200 STRs have been allocated to the NTFIU for investigation. All have been investigated to a greater or lesser extent. Between 20% and 30% of those allocated have either initiated a longer-term investigation, or added substantially to an existing investigation. Prosecutions and convictions have arisen from STRs, but data is not held that would enable figures to be produced. It is worth noting that the STR process contributes greatly to the acquisition and development of intelligence. Concentrating on prosecutions and convictions falls short of looking at the value of the system as a whole.

No cases involving failure to comply with reporting obligations have been detected in relation to terrorist activity.

1.6 With regard to the effective implementation of paragraph 1 (d) of the Resolution, the CTC would be grateful to know whether the United Kingdom has taken judicial action against a non-profit organisation, based on suspected involvement in terrorist financing? If yes, please outline the relevant procedures as well as the outcome of such actions. The CTC would also welcome examples of cases in which sanctions have been enforced against such organisations.

The Charity Commission is the charity regulator for England and Wales. The regulation regime encompasses some 180,000 charities, plus an unknown number of others, which, mainly because of their small incomes do not need to register. The Commission has extensive powers of regulation, including powers to require production of information, to freeze bank accounts, to suspend or remove trustees and to investigate and rectify wrongdoing in charities.

The Charity Commission is a quasi-judicial department in that it has a range of powers that it can exercise on behalf of the High Court. Although the Commission has used these powers against charities suspected of being involved in the financing of terrorism no cases have come before the Courts.

The Commission is not a prosecuting authority and does not investigate criminal activities. Nevertheless the financing of terrorism clearly cannot be charitable and would amount to misconduct or mismanagement, which would allow the Commission to act to protect a charity's assets. It is important to realise that the Commission's role is not punitive in nature. Where misconduct or mismanagement are found, and there is a need to protect the future assets of a charity, the Commission will use temporary powers to, for example, freeze assets, and then remedial powers to, for example, appoint new trustees or to pass the assets to another similar charity. If criminal offences are suspected then information will be passed to the police.

The assets of a handful of charities have been frozen whilst inquiries take place. In the case of one charity that was suspected of funding terrorism in Iran, the assets were effectively confiscated and passed to another charity with similar objects. Although the matter was passed to the police, along with allegation of various offences under the Charities Act 1993, the police declined to take any action.

In another case, where a charity is suspected of funding terrorism in Sri Lanka, the charity has had its assets frozen for the last two years and a Receiver and Manager appointed to run the charity and its activities. The Commission is currently considering the appointment of a new body of trustees.

Charities in Scotland are regulated by the Office of the Scottish Charities Regulator and in Northern Ireland by the Department for Social Development.

1.7 In regard to the implementation of sub-paragraphs 1 (a) and (c) of the Resolution, as well as Article 8 of the International Convention for the Suppression of the Financing of Terrorism, the CTC would be grateful if the United Kingdom could outline the principal procedures embodied in its laws in relation to the confiscation of assets or the operation of some other deprivation mechanism. Please describe how these procedures operate in practice, indicating, inter alia, the authorities responsible for their implementation. Can the UK confiscate the proceeds of a crime without first obtaining the conviction of the perpetrator (i.e. in rem confiscation)? If not, is the introduction of such a system envisaged? The CTC would also welcome an account of any appellate provisions allowing for the review of decisions taken by any such authority or agency. Please indicate the financial magnitude of the assets frozen, seized or confiscated in regard to the prevention of financing of terrorism.

The legal provisions for asset freezing are determined at UN level first and then implemented at EU and domestic level. The relevant legal provisions at (i) UN, (ii) EU and (iii) domestic level for (a) freezing assets of organisations/individuals linked to terrorism in general (b) freezing assets of organisations/individuals linked to Al'Qaida and the Taliban are:

Freezing assets of organisations/individuals linked to terrorism in general

- *European Council Regulation 2580/01* - implements UNSCR 1373 at EU level.

Under these powers the assets of external terrorists (i.e. where the focus of operation is external to the Community) can be frozen throughout the EU.

- *Terrorism Order 2001* – implements UNSCR 1373 domestically.

Article 4(1) of the Terrorism Order states that where the Treasury have reasonable grounds to suspect that the person by, for or on behalf of whom any funds are held is or may be

(a) a person who commits, attempts to commit, facilitates or participates in the commission of acts of terrorism,

(b) a person controlled or owned directly or indirectly by a person in (a),

(c) a person acting on behalf, or at the direction, of a person in (a) or

(d) a person on the list (of natural and legal persons, groups and entities) in Article 1 of the Council Decision 2003/646/EC which implements Article 2(3) of EC Regulation 2580/01).

The Treasury may by notice direct that those funds are not made available to any person, except under the authority of a license granted by the Treasury under this article. Article 3 of the Terrorism Order makes it an offence to make any funds available to a person/entity whose assets have been frozen under article 4(1) except under the authority of a licence granted by the Treasury.

- *Anti-Terrorism Crime and Security Act 2001*

Part 2 of this Act creates a new power which enables the Treasury to freeze the assets of overseas governments or residents who have taken, or are likely to take, action to the detriment of the UK's economy or action constituting a threat to the life or property of a national or resident of the UK.

For freezing assets of organisations/individuals linked to Usama bin Laden, Al-Qaida and the Taliban

- *Al-Qaida and Taliban Order 2002 – implements UNSCR 1267, 1390, 1455, 1526 domestically.*

When acting under the Al-Qaida and Taliban Order, the Treasury has to have reasonable grounds to suspect that the person by, for or on behalf of whom funds are held is or may be

(a) Usama bin Laden,

(b) A person designated by the Sanctions Committee in its Consolidated list as:

(i) a member of Al'Qaida
(ii) a member of the Taliban; or
(iii) an individual, group, undertaking or entity associated with any of the persons covered by (a), (b)(i) or (b)(ii),

a person acting on behalf of a person in (a) or (b).

Amounts frozen

There is currently £336,477.05 held frozen in 37 accounts in the UK financial institutions pursuant to EC Regulations No 2580/2001 and No 881/2002. Both before and after September 11, 2001 the UK froze a total of around £70 ($100) million of terrorist assets. Following the liberation of Kabul, the bulk has been unfrozen and made available to the legitimate Government of Afghanistan.

N.B. The total funds frozen figure includes £16,963.57 (GBP + USD) where banks have frozen funds of possible not positive matches. In addition, some debit balances have been reported (i.e. credit cards balances or overdrafts). These debit balances total £3,447.55. The total funds frozen figure reflects credit balances only.

Appellate provisions

The UN Al-Qa'ida & Taliban Sanctions Committee may, at a member state's request, remove individuals and entities from its Consolidated List. If a UK national or resident wishes to be removed from the Consolidated List, he may apply to the Committee through the UK Government.

The UK keeps decisions on asset freeze cases under review. In the event of appropriate evidence coming forward that demonstrated that an individual or organisation had been wrongly identified as being involved in terrorism the UK would be prepared to take necessary action to seek the removal of any such individual or organisations from designation lists. UK law also allows for judicial review of administrative decisions. It is therefore open to both individuals and organisations to challenge decisions on asset freezing taken by the UK Government if they regard the action as unjustified. Since the introduction of UK legislation implementing UNSCR 1373 there have been no such challenges.

Confiscation

The UK can confiscate the proceeds of crime without first obtaining a conviction from the perpetrator. The Proceeds of Crime Act does state that a criminal conviction should be obtained first if possible, but if it is not possible then the proceeds of crime can be recovered by other means. First, through civil recovery (this is only applicable if criminal conviction is not possible). The Director of the Assets Recovery Agency (established in February 2003 under the Proceeds of Crime Act) can sue in the High Court to recover property (which includes cash) derived from unlawful conduct. It should be made clear that the proceedings are against the property and not the person. If the civil recovery route is not possible there is an additional route that can be taken to recover criminal proceeds without conviction, this is through taxation. The Assets Recovery Agency can take on the role of the Inland Revenue but do not have to source money for tax assessment.

The Home Office has issued a guide for the ARA on the procedure they should follow with regards to both the civil recovery procedure and the taxation procedure.

1.8 In regard to compliance with sub-paragraph 1 (c), could the United Kingdom provide the CTC with statistics on the number of cases in which financial assets or economic resources have been frozen, seized or confiscated in relation to the financing of terrorism. Could the United Kingdom also provide the CTC with information concerning the number of individuals and/or entities whose properties have been frozen because they featured in a list drawn-up by:

- **the Security Council;**

- **the United Kingdom;**

- **other states or organisations.**

In total the UK has, since before 11 September 2001, frozen the assets of over 100 organisations and over 250 individuals under lists drawn up by the Security Council. In 2003 the Bank of England issued 26 Notices/news releases concerning Terrorist/Al Qa'ida assets freezes, covering 72 individuals and 12 entities.

The CTC would also appreciate it if the United Kingdom could also provide it with the corresponding statistics concerning its Overseas Territories and Crown Dependencies.

Such statistics are not available.

Effectiveness of counter-terrorism machinery

1.9 Effective implementation of 1373-related legislation, covering all aspects of the resolution, requires states to have in place effective and co-ordinated executive machinery. It also requires states to create and utilise appropriate national and internationai counter terrorism strategy. In this regard, the CTC would appreciate hearing how the UK's counter- terrorist strategy and or policy targeting (at the national/or sub national levels) deals with the following aspects or forms of counter terrorist activity;

- **Physical protection of potential terrorists targets**

Protection of VIPs and High Risk Buildings

The United Kingdom has a leading role in the physical protection of potential terrorist targets, primarily ensuring the protection of the Royal Family and VIPs. This protection is provided in a number of ways, ranging from tailored technical protective security packages (such as alarm systems and CCTV installed at protected individuals' residences and Royal sites), through to the provision of personal protection (accompanying the protected individual at all times) and static protection (guarding the protected person's residence).

Along with these protection measures, The United Kingdom has been engaged in a programme of counter-terrorist hardening at a number of sites, further enhancing the physical protection of potential terrorist targets.

Although there is no specific UK legislation relating to these protective security measures, all work is conducted under the auspices of a high-level committee, charged with exercising executive authority for the national policy on protective security matters within the UK.

The UK has well-developed aviation and maritime security programmes, focused upon preventing acts of violence being perpetrated against UK airports, aircraft, ports and shipping, and those employed in these industries or using their services as travellers or in moving goods. These security regimes include measures designed to prevent unlawful control being taken of UK aircraft or ships with a view to them being used as weapons directed against buildings or other infrastructure.

Critical Infrastructure Protection

Special physical and electronic protective security measures are also in place for the UK's Critical National Infrastructure (CNI). The CNI is composed of ten key sectors:

- communications
- emergency services
- energy
- finance
- food and drink
- government and public services
- hazards and public safety
- health
- transportation
- water and sewerage

- ***Counter-terrorist intelligence (human and technical)***

It is longstanding United Kingdom Government policy not to comment on specific issues relating to the security and intelligence services. In the United Kingdom the Security Service are responsible for the protection of national security and in particular the protection against threats from terrorism. These functions extend throughout the United Kingdom, apart from Northern Ireland, where the lead responsibility for investigating the threat from terrorism related to the affairs of Northern Ireland lies with the Police Service of Northern Ireland. In the aftermath of the terrorist attacks of 11 September 2001, the Security and Intelligence Agencies continue to provide a significant contribution to tackling the threat posed by terrorist organisations.

- ***Criminal investigations and prosecution***

Within the UK, a Deputy Assistant Commissioner, based within the Metropolitan Police, has been appointed as the National Co-ordinator for Terrorist Investigations. The role of this post has been agreed at Chief Constables Council and provides that the National Co-ordinator may, by invitation of the relevant Chief Constable, assume responsibility for the co-ordination and direction of enquiries into terrorist and other related activity.

The remit of the National Co-ordinator includes the overall command of the investigation with the authority to direct all aspects of police activity in each and all of the police areas that may be affected. He/she will also be responsible for the management of intelligence and evidential matters to bring matters to the point of trial, and decisions in respect of extradition proceedings.

Policing operations are intelligence led and the role of the National Co-ordinator provides a formal mechanism for the formation of an Executive Liaison Group (ELG). This group enables the joint consideration of any question relating to the exploitation of intelligence leading to executive action.

Special forces operations

The UK does not comment on the activities of its Special Forces.

- **Information concerning counter terrorist operations (including: the storage and exchange of data, propaganda and counter-propaganda.**

The UK does not comment on its counter terrorist operations.

- **Strategic analysis and forecasting**

The Joint Terrorism Analysis Centre (JTAC) produces intelligence assessments on the threat from international terrorism for a wide range of government departments and agencies, at a wide range of levels, from the tactical to the strategic. JTAC assessments contribute to assessments made by the Joint Intelligence Committee (JIC). The JIC is responsible for strategic assessment of the international terrorist threat and issues relating to international terrorism.

- **Border and immigration controls, as well as the prevention of trafficking in drugs, arms, biological and chemical weapons, their precursors and the illicit use of radioactive materials.**

Ports Policing

Ports policing is recognised as a first line of defence against terrorism and international organised crime. The three main control authorities, or Border Agencies, working at seaports and airports are Police Special Branches, HM Customs & Excise (HMCE) and the Immigration Service. These three Agencies operate joint intelligence cells, liase regularly and co-ordinate the collection of passenger information.

The role of the Police at ports

Police Special Branches make a significant contribution to countering the terrorist threat and maintaining national security by posting staff to Special Branch units at airports, seaports and international rail termini. The primary function of officers at ports is to gather intelligence, by "examining" travelling passengers, to identify persons who are or have been engaged in the commission, preparation or instigation of acts of terrorism. This function extends also to gathering intelligence on other Special Branch priorities. The principle tool at the officers' disposal is Schedule 7 of the Terrorism Act 2000.

Special Branch officers at ports also contribute to the generic police effort towards the reduction of serious and organised crime by monitoring passengers in order to provide intelligence about criminal activity. Where appropriate the

officers use their other powers to arrest wanted criminals travelling through ports and to support other policing objectives. They also play an active role in the disruption and prevention of specific offences relating to the abduction of children through ports and protection of children or breaches of civil court orders.

Screening for radioactive materials

Screening for radioactive materials forms a key element of the UK Government's Counter-Terrorism strategy and is one of a wide range of measures and activities to reduce the country's vulnerability to terrorist attack. The UK will introduce routine screening of all traffic entering the country for the illicit importation of radioactive materials.

In undertaking such a huge programme the Government is determined that the security measures at UK borders are world class and take into account the latest technological innovations and research.

The role of HM Customs and Excise at ports

HM Customs & Excise work in close co-operation with the UK law enforcement agencies at all ports and airports to ensure that effective mechanisms are in place to counter the threat from terrorist activity. Measures taken include risk profiling, national threat assessments and the regular exchange of intelligence.

Steps have been taken to ensure that biological and chemical weapons are prevented from being smuggled into the country. Customs works closely with the UK security services to ensure that controls are targeted and intelligence driven to meet identified threats. This approach also covers other prohibited goods such as drugs and arms.

Other initiatives include the seizure of assets where there are reasonable grounds to suspect that they are connected to terrorist activity. All of the border agencies share intelligence and information on a regular basis. This is facilitated by formal Memoranda of Understanding that clearly set out the terms under which all parties work towards a common purpose in the fight against terrorism.

Customs work is governed by the Customs and Excise Management Act 1979 that provides extensive powers to Customs officers to carry out their duties. Customs organises its day-to-day work and frontier computer processing systems on the basis of risk assessment supported by intelligence. Customs carries out criminal investigations and prosecutes breaches of import and export controls.

The role of the Immigration Service at ports

The Immigration Service has, among other things, national responsibility for the integrity of the UK's border controls at air and seaports. It has primary responsibility for processing applications for entry by persons arriving in the UK in accordance with the various Immigration Acts and the Immigration Rules.

One of the tools available to the Immigration Service is a computerised index, which comprises of a list of names, lost/stolen documents and organisations. This index is used at approximately 250 locations around the world, 80 or so in the UK (including all points of entry), and approximately 170 locations abroad (mostly UK visa issuing posts). The system has been in use in the UK since 1995, and by visa issuing posts since 1998. There are approximately 750,000 person names, one million documents and 500 colleges of interest on the Index, but we have the capacity to increase these numbers.

The Immigration Service also supports, strategically and tactically, a range of border security measures and initiatives through joint working with the Police, HMCE and other Government departments with responsibility for border security.

The UK Passport Service (UKPS)

The UKPS has development plans in place with the FCO (who issue passports to British Citizens abroad) so that its posts abroad can access the UKPS Lost, Stolen and Returned Database. Development plans are in place to allow access by all posts when secure links are in place.

The UKPS is also in discussion with Interpol, the Schengen Information System, the USA, Canadian, Australian, and New Zealand Passport Services and other interested parties on allowing them secure access to the UKPS Lost, Stolen and Returned Database.

The major FCO Posts abroad can already access the UKPS database of issued passports. This will be rolled out to all Posts abroad when secure links are in place. With regard to the issuing of passports, the UKPS follow ICAO standards and EU Guidelines. The minimum standards that UKPS use before issuing a passport are that the applicant provides not only proof of identity, but also proof of nationality.

1.10 The CTC would be grateful if the United Kingdom could provide it with information regarding its counter terrorist work, including an outline of any targeted programs and the agencies involved. Could the United Kingdom also describe any mechanisms, which it may utilise in order to secure effective coordination between the various agencies charged with the implementation of the provisions contained in paragraph 2 and 3 of the

resolution? The CTC is particularly interested in receiving information concerning the following areas:

Where necessary, coordination is achieved interdepartmentally or through the Cabinet Office.

- **Recruitment to terrorist groups**

The UK is developing its work in this area, but it is still too early to provide the CTC with any firm conclusions.

- ***Links between terrorism and criminal activities (in particular, with drug trafficking)***

The main links concern small-scale crime including credit card fraud and cigarette smuggling.

- **The provision, by any means, of access to CBN materials to terrorists or terrorist group**

The United Kingdom devotes considerable resources to monitoring and responding to the potential CBRN terrorist threat. They include the security and intelligence agencies, the police, considerable military expertise, scientific and other specialist advisers (including government scientific resources). The ability of police forces to respond to a terrorist attack involving the use of CBRN materials has been strengthened through the provision of specialist training at a national CBRN Police Training Centre.

1.11 In the context of sub-paragraph 2 (f) of the Resolution what authority is responsible for providing assistance in money laundering and financing of terrorism investigations in the Overseas Territories? How long does it take to provide such assistance? Are the Overseas Territories empowered to provide such assistance without authorisation or any other requirements of the UK? Do they need the authorisation of the central government? Does the central government need a treaty with the Overseas Territories in order to have assistance granted? Do the Overseas Territories provide assistance to other States only on the basis of international agreements? What happens if no treaty is in place?

Domestic financial issues are the responsibility of the territories' Governments and HM Government in the United Kingdom has no direct responsibility for these matters. Assistance granted to the UK Government by an Overseas Territory would not require a treaty, as treaties do not exist between the UK and its Territories.

A number of mechanisms are in place within the Overseas Territories for providing assistance in money laundering and financing of terrorism investigations in the Overseas Territories, for example regulator to regulator exchanges and Mutual Legal Assistance Treaties (MLATs) with other States. Formal agreements such as MLATs have clear compliance time limits written in to the agreement. The Overseas Territories can (and do) co-operate in investigations without reference to the UK. The Overseas Territories have also shown themselves willing to co-operate with investigators in other States with whom no formal agreement is in place to the extent that local legislation permits this. Should further information be required on particular Territories, we would be happy to provide it.

1.12 With regard to the effective prevention of the establishment of the terrorist safe havens and the provision of other forms of active or passive support for terrorists or terrorist groups the CTC would appreciate an outlining of the UK's legal procedures and administrative mechanisms to prevent different forms of such support, with particular regard to:

- **The provision of logistical support for terrorists (including the use of computer technology)**
- **"apologia" for terrorists**
- **incitement to terrorism**
- **maintenance of contacts with and between terrorist organisations, terrorist groups and individual terrorists.**

It is an offence to incite, support or recruit the commission of terrorist acts under the Terrorism Act 2000. The following offences are contained within the Act:

Support for a Proscribed Organisation: It is an offence to invite support for a proscribed organisation. Support is not restricted to the provision of money or other property. It is an offence to arrange, manage or assist in arranging or managing a meeting (of three or more persons, in public or private) which is known to support or further the activities of a proscribed organisation. It is also an offence if it is known a person belonging to or professing to belong to a proscribed organisation will address the meeting. It is an offence to address a meeting when the purpose of the meeting is to encourage support for a proscribed organisation or to further its activities.

A person guilty of an offence under this section of the Act shall be liable, on convition on indictment, to imprisonment for a term not exceeding 10 years, to a fine or to both.

Directing a Terrorist Organisation: It is an offence to direct, at any level, the activities of an organisation involved in terrorist crime.

A person guilty of an offence under this section is liable, on conviction on indictment, to imprisonment for life.

Possession for Terrorist Purposes: It is an offence to possess an article in circumstances that give rise to a reasonable suspicion that the article in possession is for a purpose connected with the commission, preparation or instigation of an act of terrorism.

A person guilty of an offence under this section of the Act shall be liable, on conviction on indictment, to imprisonment for a term not exceeding 10 years, to a fine or to both.

Inciting Terrorism Overseas: It is an offence to incite acts of terrorism, wholly or partly outside the UK, where the act - if committed in the UK - would constitute a number of offences as listed in the Act, such as murder and wounding with intent.

A person found guilty under this section of the Act shall be liable to any penalty, on conviction of the offences listed in the Act, which correspond to the act which he incites.

It is an offence to provide training, financial or material support for the purposes of terrorism under the Terrorism Act 2000.

UK counter-terrorist legislation defines terrorist property as money or other property which is likely to be used for the purposes of terrorism; proceeds of the commission of acts of terrorism; and proceeds of acts carried out for the purposes of terrorism. The proceeds of an act of terrorism include any money paid in connection with the commission of terrorist acts. It also covers property obtained by or in return for acts of terrorism or by or in return for acts carried out for the purposes of terrorism. It also makes explicit that any resources of a proscribed organisation are included; i.e. money set-aside for non-violent purposes such as rent for accommodation and bills. The following offences are contained within the Act:

Fund-raising: It is an offence to invite another to provide money or other property intending or having reasonable cause to suspect that said money or property should or may be used for the purposes of terrorism. It also makes it an offence to receive or provide money or other property in those circumstances.

Use and Possession: It is an offence to possess money or other property intending or having reasonable cause to suspect that said money or property should or may be used for the purposes of terrorism.

Funding Arrangements: It is an offence to enter into, or become concerned in, an arrangement that will or may result in money or other property, which is known or

suspected, being made available to another (or is to be made available to another) for the purposes of terrorism.

Money Laundering: It is an offence to enter into or become concerned in an arrangement which facilities the retention of or control by another of terrorist property. For example, by concealing the property, removing it from the jurisdiction, or transferring it to nominees.

A person guilty of an offence under any of these sections within the Act shall be liable, on conviction on indictment, to imprisonment for a term not exceeding 14 years, to a fine or to both.

Training: Where it is for the purposes of terrorism, it is an offence to provide instruction or training in the use of firearms, explosives or chemical, biological or nuclear weapons; to receive instruction or training in the making or use of the above; and to invite another to receive such instruction or training.

A person guilty of an offence under this section of the Act shall be liable, on conviction on indictment, to imprisonment for a term not exceeding 10 years, to a fine or to both.

The CTC would also find it helpful to receive information on recent successful operations in the areas above. In supplying such examples, States are not expected to supply information in respect of ongoing investigations or judicial processes if to do so would prejudice the proper conduct of an investigation or judicial process.

Due to the complex nature of terrorist investigations and the length of time required to progress these matters through the courts, it is not possible to provide details of particularly recent individual cases as they are subjudice.

One of the more recent enquiries, which required the co-ordination of police activity over a wide geographical area, and a protracted time period, was the investigation into a dissident Irish Republican terrorist cell responsible for bombings in Central London and Birmingham during 2001. Five men were convicted in April 2003 and given lengthy prison sentences.

Co-ordination was a key point in the investigation, led by the Metropolitan Police Anti-Terrorist Branch but with the National Coordinator directing the activities of West Midlands and West Yorkshire Police Services. This was a huge and meticulous investigation with over 40,000 documents placed in evidence. During the enquiry over 8000 closed circuit videotapes were seized and examined. Through painstaking scene management a wealth of forensic material was recovered which was to prove vital in building a strong prosecution case.

1.13 As regards the effective implementation of the requirements of the resolution, could the United Kingdom also outline the legislative provisions, administrative mechanisms, as well as the practical tools and procedures which are employed to combat terrorism in the United Kingdom's Overseas Territories and Crown Dependencies? In particular, could the United Kingdom indicate which bodies are charged with maintaining the appropriate level of interaction and coordination in relation to counter terrorist activities in its Overseas Territories and Crown Dependencies? In its response, the United Kingdom may wish to refer to law enforcement agencies, intelligence-gathering agencies and other competent bodies.

It has not been possible to gather comprehensive information before the specified deadline. The UK will provide further information on the situation in the Overseas Territories and Crown Dependencies as soon as possible.

1.14 Sub-paragraph 2 (e) of the Resolution requires each Member State, inter alia, to have in place effective police, intelligence and/or other structures as well as adequate legal provisions to detect, monitor and apprehend persons involved in terrorist activities and/or supporting terrorist activities, with a view to ensuring that those persons are brought to justice. In that regard could the UK please provide the CTC with information relating to the number of persons prosecuted for;

- **Terrorist activities**
- **The financing of terrorism**
- **Recruiting to terrorist organisations**
- **Providing support to terrorists or terrorist organisations**

Records of the numbers of persons arrested under the Terrorism Act 2000 since 11th September 2001 are kept within the Metropolitan Police Service. Work is currently ongoing to build a database to provide details of specific charges arising from the arrests and the subsequent disposal of each case, but it is not yet possible to provide the breakdown requested. As of 20th January 2004, there have been a total of 534 arrests. Of those, 93 people have been charged with offences under the Terrorism Act and a further 76 have been charged with other criminal matters.

The nature of the charges laid to date have included: membership of a proscribed organisation; possession of an explosive substance with intent to endanger life; receiving, possessing or arranging for money or other property to be made available for the purpose of terrorism; and possession of an article in circumstances giving reasonable suspicion that the purpose was for the commission, preparation or instigation of terrorism.

In addition could the United Kingdom let the CTC know how many persons have been prosecuted for inviting support (including furthering recruitment) to

- **Proscribed organisations**
- **Other terrorist groups or organisations**

There have been three convictions in regard of proscription offences. Other groups are not covered by the membership offences.

In this regard could the UK provide data on the number of terrorist organisations which it has proscribed? On average, how long does it take to proscribe a terrorist organisation at the request of another state?

The UK has proscribed 39 organizations - 25 international and 14 relating to Northern Irish terrorism. No data can be provided on how long it takes to proscribe at the behest of another state - it varies dramatically depending on the organisation or state. The state makes a request, which is considered by the Security Service and the Home Secretary before being put before Parliament for consideration.

1.15 With a view to effective implementation of sub-paragraph 2 (e) could the UK indicate whether its laws permit, for investigative and evidentiary purposes, to resort to special investigative techniques in the fight against terrorism? Examples of the special investigative techniques referred to could include undercover operations; the use of informants; the use of other forms of encouragement to persuade persons to supply counter-terrorist information to the competent authorities; the monitoring and or the interception of communications (internet, radio, audio visual media and other advanced communications techniques)? Are there any impediments to utilizing the intelligence data in criminal investigations? Could the UK please elaborate on the legal provisions and administrative procedures which it has put in place in relation to the protection, assistance and support available to victims, witnesses and other persons providing information concerning terrorist activities in the course of investigation and judicial proceedings. Could the UK please indicate whether such provisions can be utilized in cooperation with another state.

The Police and Security Service both use special investigative techniques. The extent to which counter-terrorist competent authorities can carry out any of these special investigative techniques is defined by specific legislation, which includes the Regulation of Investigatory Powers Act (RIPA) 2000, the Data Protection Act 2000, the Human Rights Act 1998, the Security Service Act 1989 and the Intelligence Services Act 1994.

The Regulation of Investigatory Powers Act (RIPA) 2000 provides a European Convention on Human Rights compliant framework for the interception of communications, the use of both covert surveillance and covert human intelligence sources (agents, informants and undercover officers), and, very shortly, access to communications data.

- Interception of Communications: Under Part I, Chapter I of RIPA, interception of communications is conducted by means of a warrant authorised by the Secretary of State on application by law enforcement, security or intelligence agencies. The purposes for which a warrant may be issued are in the interests of national security, to prevent or detect serious crime, for the purpose of safeguarding the economic well-being of the United Kingdom, or for the purpose of giving effect to the provisions of any international mutual assistance agreement. As regards the last of these, interception warrants in response to, or for the making of, requests for international mutual assistance in interception matters, can only be issued in circumstances equivalent to the prevention or detection of serious crime. Part I Chapter I of RIPA defines the interception of communications as any communication in the course of its transmission by means of either a public postal service or a public telecommunications system. The product of an intercepted communication cannot be used in evidence.

- Access to Communications Data: The UK definition of communications data includes itemised telephone call records and subscriber details, what is commonly referred to as "traffic data", routing and location data. It does not include the content of the communication. Currently, communications data may be supplied voluntarily for specified reasons (e.g. investigation of crime) under the Data Protection Act 1998. It may additionally be supplied in obedience to a Production Order authorised by a Crown Court judge.

- In the near future, Part I, Chapter II of RIPA will introduce a statutory based framework to regulate access to communications data by investigating bodies. It explains the duties and responsibilities placed upon each party involved in the process and creates a system of safeguards, reflecting the requirements of Article 8 of the European Convention on Human Rights. A strict test of "necessity" must be met before any communications data is obtained under RIPA. An authorising officer must not only consider the communications data to be necessary, but must also consider the conduct involved in obtaining the communications data to be "proportionate" to what it seeks to achieve. The grounds on which it is necessary include: in the interests of national security; for the purpose of preventing or detecting crime, or of preventing disorder.

  Covert Surveillance: Part II of RIPA provides two categories of covert surveillance:

- Intrusive surveillance is defined as covert surveillance inside residential premises or private vehicles that is carried out by means of a surveillance device or involves a person on the premises or in the vehicle.

- Directed surveillance is defined as covert surveillance that is not intrusive, but which is undertaken for a specific investigation or operation that is likely to obtain private information about a person.

- Use of Covert Human Intelligence Sources (CHIS) – Agents, Informants and Undercover Officers: Part II of RIPA defines an Agent, Informant and Undercover Officer as a Covert Human Intelligence Source (CHIS) which is defined as a person who establishes or maintains a personal or other relationship with a person to covertly obtain and disclose information. A person who carries out "fictitious purchases" would fall within the definition of a CHIS.

Intrusive surveillance may only be carried out by the police service and HM Custom and Excise if an independent Surveillance Commissioner approves an authorisation. The authorisation must be necessary on the grounds that it is to prevent or detect serious crime. Intrusive surveillance by the security and intelligence services may only be carried out by means of a warrant authorised by the Secretary of State in the interests of national security, to prevent or detect serious crime or in the interests of the economic well-being of the United Kingdom.

All Intrusive Surveillance authorisations must also be proportionate to what is sought to be achieved by carrying out the activity and the information obtained could not be reasonably obtained by other less intrusive means. The carrying out of Directed Surveillance and the use of a Covert Human Intelligence Source is authorised internally at a senior level within the police service, HM Customs and Excise and security and intelligence services. An authorisation can be granted if it is necessary and proportionate for one of the following purposes; in the interests of national security; for the purpose of preventing or detecting crime or preventing disorder; in the interests of the economic well-being of the United Kingdom; in the interests of public safety; or for the purpose of protecting public health.

The Regulation of Investigatory Powers Act 2000 does not cover the "bugging of premises" or other such interference with property or wireless telegraphy. Part III of the Police Act 1997 provides the lawful basis for the police service and HM Customs and Excise to enter on or interfere with property or with wireless telegraphy. Section 5 of the Intelligence Services Act 1994 provides the lawful basis for the security and intelligence agencies to enter on or interfere with property or with wireless telegraphy.

1.16 The CTC would appreciate learning whether all 12 international Conventions and protocols relating to terrorism, referred to in resolution 1373, have been ratified by the UK in respect of all its Overseas territories and Crown Dependencies.

A matrix is attached showing which Overseas Territories and Crown Dependencies have ratified the 12 UN Terrorism Conventions.

1.17 As regards the implementation of sub-paragraph 1 (a) and (c), as well as Article 5 of the International Convention for the Suppression of the financing of terrorism, please indicate whether the UK has taken measures to establish the civil, criminal or administrative liability of legal persons in relation to criminal offences, in particular, in relation to offences linked to terrorist activities?

Please provide an outline of the relevant legal instruments. Is it possible to assign liability to a legal person, including circumstances where no natural person has been convicted or identified?

Legal persons are subject to the provisions of the Terrorism Act.

There is a duty under s19 (1) of the Terrorism Act for a person to disclose information if he believes or suspects a person of involvement in terrorist property offences. In addition, a person working in the regulated sector (business accepting deposits) is guilty of an offence if he knows or suspects a person - or has reasonable grounds for knowing or suspecting a person - has committed a terrorist property offence and the information came to him in the course of a business in the regulated sector and he did not disclose it to a constable or a nominated person in his company as soon as practicable or the information is subject to legal privilege.

Could the UK supply the CTC with statistics on the number of cases where sanctions were imposed on financial institutions for providing support to terrorists or terrorist organisations?

This information is not available.

Effectiveness of Customs, Immigration and Border Control

1.18 Effective implementation of sub-paragraphs 2 (c) and (g) of the Resolution involves maintaining effective customs, immigration and border controls to prevent the movement of terrorists and establishment of safe havens. In that connection, with regard to preventing the falsification, counterfeiting or illegal use of identification and travel documents, have the authorities in the UK taken any action in relation to:

- **establishing standards for the collection and dissemination of information and warnings about passengers:**

The e-Borders programme envisages an Authority to Carry (ATC) scheme. This scheme will allow UKIS to prevent specified categories of passenger from travelling to the UK and provide advance information for other border control, law enforcement and intelligence agencies by requiring carriers to request a check against Government databases before departure.

- **establishing minimum standards concerning the issuance of identification documents and travel documents; establishing minimum standards and recommendations concerning the use of biometry in the establishment of procedures and the production of documents**

The UK has a program in place to implement ICAO standard for biometrics in passports. In addition, the UK is supporting the EU proposals for the introduction of ICAO compliant biometrics in visas and residence permits. Biometric images will eventually support facial recognition proposals that will assist in detecting and reducing fraudulent passport applications.

- **establishment of minimum standards in relation to equipment used to verify the authenticity of documents at places of entry in or exit from a state.**

All immigration officers have access to appropriate forgery detection equipment both on the primary arrival control and in the back office. In addition, the computerised Warnings Index terminal at most ports incorporates a swipe reader for reading and checking ICAO standard machine-readable travel documents. All ports are provided with up to date intelligence bulletins and alerts to provide details and images of genuine documents for comparison and examples of fraud of documents. Centrally organised training is available to all port immigration officers in forgery detection to enable them to identify document fraud and utilize properly the forgery detection equipment provided.

Does the UK exchange information with other States concerning lost or stolen passports and the refusal of visas?

If the answer to the question is yes could the UK provide an outline of the relevant standards and recommendations, including a description of any mechanisms used to further their implementation. Does the UK exchange information with other States concerning lost and stolen passports and the refusal of visas? If so please provide details.

The National Document Fraud Unit (NDFU) is the UK national contact point for international exchanges of information between border control authorities on lost and stolen travel documents.

The UK does not routinely and regularly share visa refusal information with other countries. However, upon request, a UK visa office would usually provide summary information as to why someone had been refused a visa if that same applicant subsequently applied for a visa at another country's embassy in the same location.

In relation to sharing data with other states, the UK Passport Service is currently working with both the Schengen Information System (SIS) programme in order to make lost/stolen passport data available to appropriate authorities within Europe. Additionally, UKPS is working with Interpol to make the same available for loading onto their i 24/7 system, which is available across Europe and further afield. There has been no formal commitment here by UKPS, but it is working closely with other 'friendly' nations (principally the '5 Nations', i.e. accepting the UK, USA, Canada, Australia and New Zealand) and sharing of data has and is being discussed.

UKPS uses lost/stolen information that it gathers to prevent fraudulent passport issues. It is also making this information available to a number of parties, including but not limited to the FCO, UKIS, DVLA, the SIS programme and Interpol, via a direct, secure, system link to its passport database known as "OmniBase".

1.19 Please outline the legal and administrative procedures utilised by the UK to protect port facilities, ships, persons, cargo, cargo transport units and ships stores from the risks of a terrorist attack. Please outline the procedures adopted in the UK to control access to ships and to monitor restricted areas with a view to ensuring that only authorised persons have access to and supervise the handling of cargo and ship's stores. Does the UK periodically review and update transport security plans? If yes, please outline.

The UK has long-standing aviation and maritime security regimes under the Aviation and Maritime Security Act 1990 (AMSA). For the maritime sector, the AMSA security regime applies to passenger ships and the ports serving them and includes UK flagged cruise ships operating worldwide. The regime consists of mandatory protective security measures, which vary according to the prevailing level of threat and risk, as well as security guidance and best practice.

The UK is now making good progress on implementing the new international ship and port facility security regime, agreed by the IMO in December 2002, and expects to meet the deadline for implementation of 1 July 2004. Under an EU Regulation currently being agreed, the UK will also apply the IMO regime to domestic ships and port facilities by the deadlines to be agreed by the EU.

1.20 Has the UK given effect to the standards and recommendations of the International Civil Aviation Organisation (ICAO) and whether the ICAO has conducted safety audits of the UK's international airports?

The UK gives effect to the standards and recommended practices of the International Civil Aviation Organisation (ICAO) (Annex 17). As far as ICAO safety audits are concerned none have been conducted on the UK mainland and no security audits have been conducted in the UK.

Effectiveness of Controls Preventing Access to Weapons by Terrorists

1.21 Sub-paragraph 2 (a) of the Resolution requires each Member State, inter alia, to have in place appropriate mechanisms to deny terrorists access to weapons. In this regard, could the United Kingdom outline how it co-ordinates the law enforcement agencies a and other competent authorities charged with implementing controls on the export of goods; the transfer of technologies; the provision of technical assistance overseas and the trade in controlled goods. In that respect, the CTC is particularly interested in hearing about co-ordination between the agencies for denying terrorists access to weapons or hazardous materials. The CTC would appreciate receiving statistics from the United Kingdom on the implementation of the specific legal provisions relied on to prevent terrorists from gaining access to such weapons.

The Restricted Enforcement Unit (REU) has a central role in co-ordinating the work involved in countering potential breaches of export controls and procurement attempts in support of overseas weapons programmes – in particular those relating to Weapons of Mass Destruction (WMD). The REU is an interdepartmental committee of officials drawn from interested departments and meets regularly to discuss information received from a wide variety of sources including HM Customs and Excise – the enforcement authority in the UK for export controls. Decisions on export licence applications and ratings (an assessment of licensability), including - in particular - issues such as end use and the risk of third party transfers are underpinned by the work of the REU. All export licence applications and ratings are checked against terrorist lists.

Statistics under this sub-paragraph are not available.

1.22 With regard to the requirements of sub-paragraph 2 (a) of the Resolution as well as to the provisions of the Convention on the Marking of Plastic Explosives for the purpose of Detection and the International Convention for the Suppression of Terrorist Bombing please provide the CTC with information relevant to the following questions:

- **Please specify procedures of export control and existing mechanism of exchange of information of sources, routs and methods of traders in arms.**

Licences to export arms and other goods subject to control for strategic reasons (including explosives) are issued by the Secretary of State for Trade and Industry acting through the Export Control Organisation (ECO) of the Department of Trade and Industry. All relevant licence applications are circulated by the DTI to other Government Departments with an interest for advice as determined by these Departments in line with their own policy responsibilities. This includes, principally, the Foreign and Commonwealth Office (FCO), the Ministry of Defence (MoD) and the Department for International Development (DFID).

Goods that are subject to strategic export control must be covered by a license issued by the Department of Trade and Industry. When presenting the goods to Customs, the exporter must declare the type of license used. Specific licenses must be presented with the goods. Details of an open license must be given on the customs declaration and on commercial documents.

Customs use a number of techniques to identify sensitive goods not declared at export. Where the licensability of goods is obvious from the commodity code, Customs' automatic entry processing system will not accept the entry without a licence. In other cases profiles are set on the system based on the goods, the exporter, the destination and the end-user. A regular programme of 'awareness raising' visits to customs staff at UK ports and airports is carried out. Customs and other agencies also visit exporters to raise awareness about suspicious orders. The UK has fostered a culture of compliance with exporters who see adherence to the controls as essential in maintaining their business reputation.

Specialist investigators regularly meet all agencies concerned in export control at the Restricted Enforcement Unit, where they exchange information and intelligence about procurement activities, suspicious routing, smuggling trends etc.

- **Please outline any appropriate mechanism to verify the authenticity of licensing or authorisation documents for the import or export or transit movement of firearms.**

Where there is reason to suspect the authenticity of licenses Customs check the details with the Department of Trade and Industry. Customs receive copies of all open individual export licenses. The Foreign and Commonwealth Office carries out verification checks on end-user certificates via UK embassies in the countries concerned. The UK receives copies of firearms transfer documents from other states of the European Union. A network of Customs Firearms and Explosives Officers carries out verification checks at the premises of Registered Firearms Dealers.

- **Has the UK's Customs Service implemented intelligence–based risk management on borders to identify high-risk goods? Please outline data elements required by Customs Administration to identify high risk consignment prior to shipment.**

Border checks are based either on specific intelligence or on risk profiles as outlined above. For exports the main focus is on sensitive destinations and suspect end-users. Checks based purely on the types of goods are not always helpful – the majority of commodity codes are too wide to identify most controlled goods; most controlled goods are dual-use and present no risk when exported by responsible exporters to responsible end-users.

Import checks also are based on risk assessment and focus on high-risk goods such as weapons and ammunition. Commodity codes and country of origin are the main indicators used by Customs to base risk profiles.

- **Do legal provisions in place provide for share the information on import and export licences or authorisation, or accomplishing documents, of names and location of brokers involved in the transaction with foreign counterparts to enable co-operation in preventing illegal shipments of firearms, their parts and components and ammunition as well as explosives and their precursors.**

The UK has provisions in place to share information in the event of breaches of import and export controls on firearms, parts, and ammunition. This co-operation is mainly carried out between enforcement authorities and the procedures have been in place for a number of years. There is no routine sharing of licensing information that is confidential.

- **Has the UK implemented, using risk assessment principles, any special security measures on the import, export and transit movement of firearms, such as conducting security checks on the temporary storage, warehouses and means of transport carrying firearms, and requiring persons involved in these operations to undergo security vetting? If yes please give details.**

In the UK the import, export and transit of weapons and ammunition is heavily regulated. This includes carriers and transport operators. Security vetting is applicable and is carried out by a specialist UK Agency.

- **What special measures are used by the UK to prevent and suppress illegal trafficking in firearms, ammunition and explosives, utilised by terrorists.**

The UK has fostered a culture of self-regulation and compliance among UK exporting companies with the export controls that are in place. A Compliance Unit within the ECO is responsible for ensuring compliance with the conditions of Open Licences. Compliance teams visit holders of these licences to examine records (including end-use documentation) that the exporters are required to maintain as a condition of the relevant licence and to check that the systems and procedures for meeting the requirements of the licences are working properly.

1.23 The CTC is aware that the United Kingdom may have covered some or all of the points in the preceding paragraphs in reports or questionnaires submitted to other organisations involved in monitoring international standards. The CTC would be content would be content to receive a copy of any such report or questionnaire as part of the United Kingdom's response to these matters as well as details of any efforts to implement international best practices and standards which are relevant to the implementation of resolution 1373.

A possible candidate would be the UK's return for the 2002 OSCE Information Exchange on Small Arms and Light Weapons (SALW) (dated August 2003). The return was HMG's attempt to present a model return relating to export control matters with the overall aim of establishing a level of international best practice for other OSCE members.

2. Assistance and guidance

The United Kingdom shares the CTC's view of the importance of the provision of assistance and advice in connection with the implementation of Resolution 1373. The United Kingdom welcomes the CTC's recognition of the United Kingdom's efforts to provide assistance to other States in connection with the implementation of the Resolution and reiterates its determination to maintain and develop the constructive dialogue with the CTC.

The United Kingdom will continue to review the current UK entries in the Directory and will continue to supply the CTC with updates of its counter-terrorism assistance matrix on a six-monthly basis. The latest such update is enclosed with this letter.